

## **STATEMENT BY REP. BERNARD SANDERS ON SINGAPORE AND CHILE FREE TRADE AGREEMENTS**

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Mr. Chairman, thank you for holding this important hearing.

In my view, the free trade agreements with Chile and Singapore that were recently signed by the Bush Administration largely replicate the disastrous North American Free Trade Agreement which has cost the U.S. hundreds of thousands of decent-paying jobs, and must be rejected by the Congress. Adding insult to injury, the Singapore and Chile free trade agreements create entire new visa categories for the temporary entry of workers for any job in the United States that requires a bachelor's degree, allowing thousands of foreign workers to compete against American workers at home during a time when millions of U.S. citizens are desperately looking for employment. In addition, the provisions contained in these free trade agreements on capital controls that our distinguished Ranking Member Mr. Frank has already talked about will reward wealthy investors at the expense of the poor.

Mr. Chairman, our trade policy has been a complete failure. We now have a record-breaking trade deficit of \$435.2 billion, including a \$103.1 billion trade deficit with China. According to the Economic Policy Institute, 99% of this deficit is due to the goods we must increasingly buy from overseas because we no longer make them at home. From 1994-2000 we have lost 3 million manufacturing jobs

due to NAFTA and the WTO trade agreements. During the last 2 years alone, under the Bush Administration, we have lost 1.7 million more manufacturing jobs, representing 10 percent of the total industrial sector. At 16.5 million, we now have the lowest number of factory jobs in 40 years.

Here are just some of the jobs that have been lost due to U.S. trade policy:

- \*\* Over 180,000 jobs have been eliminated in the textile industry since 1996, including 59,000 from North Carolina alone.
- \*\* Over 46,000 steelworker jobs have been eliminated in the U.S. since 1998, including 18,000 in Cleveland, Ohio.
- \*\* Since April of 1998, the apparel industry has lost one in three jobs, including over 40,000 in California.
- \*\* One in five jobs among companies producing aircraft is gone.
- \*\* We have lost over 360,000 jobs in industrial machinery, 290,000 jobs in electronic and electrical equipment, a quarter million jobs in transportation equipment, and 116,000 jobs in motor vehicles.

Mr. Chairman, some of the supporters of unfettered free trade have argued that we might lose some manufacturing jobs through these trade agreements, but we would also gain many more high-paying white collar jobs. Well, they have been proven wrong.

According to Forrester Research, "Over the next 15 years, 3.3 million U.S.

service industry jobs and \$136 billion in wages will move offshore to countries like India, Russia, China and the Philippines. The IT industry will lead the initial overseas exodus."

How many of those jobs will wind up in Singapore and Chile? How many workers from Singapore and Chile will be able to walk right into this country and take jobs away from American workers through this trade agreement? That is what I would like to find out today.

I was told that this hearing would focus on the financial services aspect of our free trade agreements.

Well, let's focus a little bit on the Financial Services sector.

According to a cover story that appeared in *Businessweek* on February 3, 2003, "In the past year, Bank of America has slashed 3,700 of its 25,000 tech and back-office jobs. An additional 1,000 will go by March. Ex-Bank of America managers and contractors say one-third of those jobs are headed to India, where work that costs \$100 an hour in the U.S. gets done for \$20. Bank of America acknowledges it will outsource up to 1,100 jobs to Indian companies this year."

*Businessweek* goes on, "Even Wall Street jobs paying \$80,000 and up are getting easier to transfer overseas. Brokerages like Lehman Brothers Inc. and Bear, Stearns & Co., for example, are starting to use Indian financial analysts for number-crunching work. Processing insurance claims, selling stocks, and

analyzing companies can all be done in Asia for one-third to half of the cost in the U.S. or Europe.”

And, finally, listen to this quote from Microsoft’s Vice President for Windows Engineering, "It's definitely a cultural change to use foreign workers, but if I can save a dollar, hallelujah."

Mr. Chairman, I hope that Congress will reject the Singapore and Chile free trade agreements, and work together to make U.S. companies invest in our own country instead of exporting our jobs overseas in a destructive race to the bottom.